



FASHION MERCHANDISING PROMOTION PLAN

Richardson DECA

J. Clarke Richardson Collegiate

1355 Hardwood Avenue North

Ajax ON L1T 4G8

Janki Thakar, Chankalee Samarasinghe, Shalmi Patel

January 15, 2015

Table of contents

I.	Executive Summary	1
II.	Description of the Store.....	2
III.	Objectives.....	3
IV.	Schedule of Events.....	4
	a. Special Events.....	4
	b. Advertising.....	6
	c. Display.....	7
	d. Publicity.....	8
	e. Other In-Store Activity	9
V.	Responsibility Sheet.....	9
VI.	Budget.....	10
VII.	Statement of benefits to the retail establishment.....	10
VIII.	Bibliography.....	11

I. Executive Summary

Store description:

Lululemon is a Canadian business that has grown into an international brand. For this promotional plan, we will be focusing on the first store that was opened in Vancouver, B.C. Canada.

Target Market:

Lululemon strives to provide customers with quality products and services. This business targets most of its products to women aged 23 to 35 years old. However, in order to meet the needs of consumers, lululemon has created productd for the male customers. Lululemon seeks customers who are willing to spend money on exercise apparel and are concerned about maintaining a healthy lifestyle. Additionally, lululemon clothing is now being worn as casual attire. Their customers now wear its products outside athletic based environments, thus exposing the lululemon brand and products to a larger potential target market, which in turn will increase in the company's sales.

Objectives:

Lululemon is expanding into a bigger company and these objectives will help make this growth process faster and more exciting. This promotional plan will commence in June 2015. The objective is to continue to improve the company image through the following points:

1. Increase sale in store by 5%
2. Expand target market
3. Increase online sales by 2%
4. Improve customer relationship

Events:

To ensure the growth of the lululemon company, and complete the above objectives, the events that this promotional plan will offer are a fashion shop, sports day, yoga classes and other small in store activities. The store will promote these events and activities alongside with lululemon's social media pages and website to advertise these events and aid in the growth of the company. These events will be known to all of Vancouver by posting advertisements through newspapers and magazines.

Budget:

The budget is mainly the costs of all the advertising being done for our promotional plan. This will aid the Vancouver store by informing them of the expenses that are to come. This budget could also be beneficial to other lululemon stores if they were also interested in following a promotional plan like the Vancouver lululemon store. This can give them a general idea of expenses and what to expect.

Outcomes and Benefits:

The benefits of the promotional plan will include the expansion of the target market, to continually strengthen the loyalty of current lululemon customers. At the end of the promotional plan, the online purchases are also expected to increase from all the events and advertisements. The public will be more aware of the brand lululemon, and will feel encouraged to visit the stores in person to experience the luluemon experience, thus increasing in-store sales.

II. Store Description

The beginning of the international sensation known as lululemon was first founded in 1998 by Dennis “Chip” Wilson. Wilson first fell in love with yoga in 1998, but noticed that although people were attending the classes, many participants were not dressed for the activity. This inspired Wilson to create yoga wear that was stretchy, lightweight and breathable. He collaborated with local athletes and yoga instructors to get feedback from his designs which lead to the creation of a new fabric called luon. Wilson’s products became a success as this initiated high demand through the yoga community. Not only is Wilson’s passion to provide yogis with the clothing for the activity, he also transforms his lululemon stores into a part time yoga studio during closed hours. On November 2000, the first official retail store opened in the same neighbourhood streets in Vancouver’s Kitsilano area. Soon enough, the demand increased and lululemon expanded its growing business in the United States and Australia. The company also managed to open its first children’s store, which goes under the name ivivva in 2009. Ivivva is targeted for children aged 6 to 12.

Customer service is very essential to lululemon, thus employing trained employees that are readily available to the customers. Lululemon not only just maintains strong relationships with its customers, but also with their employees. They ensure that all the employees are treated well and guarantee that they are disciplined with specific qualities that are required from the employees by giving trainings to the employees and development workshops in order to be confident, educated, and addressable for its customers. Lululemon motivates the employees to establish strong connections with the customers.

Our location is the original store based in Kitsailo, Vancouver. The address is 2113 West 4th Avenue. This location offers a complimentary run club every Thursday at 6 pm and Saturdays 8 am. This location communicates with their community through their group on

Facebook called “No Excuses, Run!” This provides a platform for the potential customers and runners to communicate through. Store productivity has reached a high of more than \$1800 sales per square foot on average on a 12-month trailing basis. The higher the sales per square foot, the better management is doing of marketing and displaying their store’s products.

<u>Strengths:</u> <ul style="list-style-type: none"> • Offers high-quality products • Superior store locations • Well trained and experienced staff • High customer relationships • Strong retail strategy 	<u>Opportunities:</u> <ul style="list-style-type: none"> • International expansion • Growth in U.S market • Build U.S brand recognition • E-commerce Development
<u>Weaknesses:</u> <ul style="list-style-type: none"> • Brand recognition is weak in the U.S • Only few retail outlets • Slow growth strategy 	<u>Threats:</u> <ul style="list-style-type: none"> • Competition with similar brands • Small market size • Lack of consumer knowledge • Focused on word- of mouth marketing strategy

III. Objectives

Lululemon specially emphasizes and considers definite objectives and goals for its company. One of the main goals it looks at is raising brand awareness within the market.

- Increase sales: Through our various events and programs such as the lululemon Fashion show, The Flash Mob, and local Store Coupons we will increase the number of customer and purchases in the store.
- Expand target market: With the many programs that this lululemon store will offer, this location will broaden their variety of customers. This means that customers not included in the prior target market will also start buying lululemon products. Lululemon offers athletic wear for people who are active; however lululemon products have also become more of a fashion statement. Lululemon’s target is to sell products for 23-35 year old

women. This promotional plan will expand the target market from athletes and majority women to both males and females of all ages.

- Increase online purchases: lululemon offers an informative website on where display items are being sold online. Customers can browse products, and read their reviews, as well as order online. Online sales are easier to access, and are faster for customers since they can buy products without having to try them on, or physically go to the lululemon locations to buy the products. Lululemon currently has about 10-15% of online sales per year. This promotional plan will help increase that by another 2-3%. Lululemon will carry out this plan by advertising the website through Facebook, Twitter, and Instagram.
- Improve customer relationship: This promotional plan will help the lululemon team in Vancouver build better customer relationships. They will do this by continuing to advertise high quality products to the customers. With this, lululemon can gain more customers, as well as also gain the trust and loyalty of their employees.

IV. Schedule Events

This company will provide various types of promotional plans such as special events, advertising, publicity, displays, and other in-store activities. All activities are appropriate for the events which refer back to the company's objectives of the idea of increasing the business of current customers.

A. Special Events

Numerous special events will be hosted for the idea of promoting this business.

Fashion show: Lululemon will be organizing a Vancouver based fashion show in June 23, 2015. Not only will this fashion show act as a great source of advertisement, but will also provide a visual representation of the lululemon clothing for all the consumers. Customers will get a chance to view new products, develop strong relationships with the employees, and will receive the opportunity to ask any questions they might have. Furthermore, each attendee of the fashion show will receive a lululemon gift bag consisting of lululemon products; such as the signature headbands, socks, water bottles, etc. Three weeks before the fashion show, the lululemon team will be distributing invitations to customers by slipping them into the bag of every

purchase made. These invitations will raise attention of the event, and will be encouraged to shop at lululemon to receive the invitation.

Flash mob: To enhance the forms of advertisements, the lululemon team has decided to organize a flash mob for the current Vancouver location. This will take place in front of shop, on Saturday, June 16th 2015, at 2:00 p.m. to bring the atmosphere of the fashion show into the store. This will act as a helping tool for the company to receive more interest in the brand. The employees not working during that time will be a part of the flash mob, and will also be advertising the lululemon clothing by wearing the different clothing/products that the company offers. Furthermore, the spectators that join in the flash mob will receive a free lululemon miniature souvenir and will obtain an advantage of having their name put in the lululemon raffle. The winner of the raffle will receive a 50% off discount for any purchase they make at the store. This will interest youth and other members of the community in this up coming event.

Charitable Giving: As a big company with high profits, giving various donations can increase customer relationships. These charitable activities programs are available in every location of lululemon. The customers can select charities for lululemon to support on the website. This will both increase customer relationship and expand the company's relations with other charitable locations. This will interest the older generations whom might also interested in donating money alongside with lululemon.

Yoga Classes: Since lululemon is a brand that is inspired by yoga, scheduling yoga classes for all the clients that are interested in this brand would be beneficial as they will experience face to face contact with the lululemon team. They will also get a taste of the yoga wear that lululemon offers. As a starter, the class will start off free. When there is more demand for the program, it is advisable to start the program with a small amount of fee. With this the company can also gain profit as they develop more customer relationships.

Sports day: lululemon will host a day full of different games and activities, where the customers will get to collaborate and participate in various activities. Some activities will include a small yoga session, running sections, aerobic classes, etc. These activities will be promoted by the company: lululemon. Not only will this event give more opportunities to build more customer relationships, but will also allow for the clients to interact with various activities that

relate to using lululemon products. This will not only increase the demand for lululemon products, but will also allow the participants the chance to experience healthy living.

B. Advertising

Various social media along with radio advertisement will be used to advertise the lululemon campaign. The employees will ensure that the company is properly represented on the social media.

Facebook: The lululemon page on facebook is currently extremely popular due to the 1.1 million likes. The facebook page will be posting all the events and special occasions that are occurring that is relating to lululemon to keep the customers informed. Facebook will also link to the other social media to raise the awareness of the advertising being done in the other social Medias. The clients who like the facebook page will be receiving notifications which will include a secret key to all our lululemon discounts and other special promotional offers. The facebook page will also be holding various contests and raffle draws which individuals will be able to participate in to receive promotion on several different products within the company. Facebook is one of the most popular social networks that society uses to interact with others. It is known as the second highest popular page within the athletic category. Therefore, it would be profitable and advisable to use facebook as an advertising source.

Twitter: Lululemon also provides a Twitter page for its consumers and presently has 694,000 followers. One of the main goals that lululemon is aiming for this year is to create a hashtag such as #lululemonfashionshow2015 or #lululemonflashmob that becomes a trending topic on Twitter. This goal will be beneficial because it will increase the awareness of this particular brand. Twitter will be playing a similar role as facebook when it comes to advertising. It will keep all the shoppers alert for the upcoming events that lululemon will be hosting and the team will also make sure that they are reasonably active on the page and are able to interact more with all the customers in order to increase the number of followers.

Youtube: Youtube is one of the top searches on google and it would be a great way to advertise. Lululemon has 28,818 subscribers. To gain more subscribers lululemon can connect Youtube with various other social networks such as Facebook and Twitter. These interactions will cause the subscribers to increase. The youtube channel can also be used to broadcast the lululemon fashion show live. This channel on Youtube will be used to post videos of small yoga demonstrations, which would be requested by the customers.

Lululemon Website: The lululemon website is a great way for some of the questions that individuals might have to be answered. This website will provide every information possible about this brand and the company, and will also include a question page where buyers will have an opportunity to ask questions they might have about the company. Additionally, the website will consist of a page which will include all the popular products that are sold at lululemon. This will provide an advantage for the customers and the company. The website will also come in uses, when individuals want to sign up for events such as yoga classes.

C. Display

Interior: Since many of the lululemon stores provide very minimum amount of large windows, we will be utilizing the front of the store to decorate and advertise. There will be mannequins placed all around the stores, all dressed in the latest products. The employees will be required to wear the attire of lululemon so they can be easily identified by the customers and can also show great representation of the company. Throughout the store, tables will be placed which will consist information pamphlets, postcards, special events signup sheets, etc. Posters and flyers will also be hung on the walls of the store advertising the latest and the most popular products. The customers will be welcomed by an educator as soon as they will walk in and will work with the guest to select the right products. This suggests that lululemon is interested in them and wants to help them out.

Exterior: lululemon is known for its unique designs that is used on the exterior of its stores. lululemon usually does not have glass window displays. Due to this not much can be

presented on the Exterior of the store. The Vancouver store has glass windows which the interior of the store can be seen from the exterior of the store. To advertise the events that lululemon is offering, the store can have large, hanging banners with event information written on it. Therefore if this is done than not just lululemon customers but other shoppers walking by can see what events lululemon offers.

D. Publicity

Social Media: lululemon will be advertising all events and activities through their social media. These social site will be updating for each of the events, prior to the event these sites will be posting event information and after the event these sites will post pictures and other comments to tell the audience how the event went, and to thank the people that came. All the information will be also be available on the lululemon website.

Blog: lululemon runs a daily blog with motivational pictures. This blog will be constantly updated throughout the events.

Press Releases: An official press release will be released for major events such as the sports day and the fashion show. This press release will be published in Vancouver's Location newspaper which is "Vancouver Courier". This newspaper is very popular in the city of Vancouver. In the newspaper a small flyer will be printed and sent to all the subscribers of this newspaper. This will involve the community and gain more members/spectators of the events.

Magazine: Vancouver has many local magazines, one which is the Vancouver magazine. This magazine is popular throughout Vancouver. This magazine will publish lululemon events and information one month prior to the events. People who are no following lululemon on social media or subscribed to newspapers, they will be informed of the events and more of the community will be involved.

E. Other in store activities

Employees will be asked to talk to customers about the different events and promotions going on. They will interact with the customer to make them feel welcome. The employees will have meetings to organize these events, to decide important task to make the event more outstanding.

Responsibility sheet:

As lululemon is having many small events, all lululemon employees will have to attend many important meetings prior to the events. The employees then will know their roles and responsibilities. For each event, several small meetings will be held to make sure all events are on track, this task will be done by the manager of the store.

Title:	Store Mangers	Assistant Manger	Employees
Tasks:	Fashion show: <ul style="list-style-type: none">- Organize the attendance of the event- Keep track of all on –going on activities- Schedule Creator	Fashion show: <ul style="list-style-type: none">- Organizing responsibilities for employees- In charge of all advertise campaign.	Fashion show: <ul style="list-style-type: none">- Modelling for the fashion show- Making sure that they are able to answer any questions- In charge of clean up
	Flash mob: <ul style="list-style-type: none">- In charge of schedule and up of the project	Flash mob: <ul style="list-style-type: none">- Advertisement- Organizing choreographer for the team	Flash mob: <ul style="list-style-type: none">- Participating in the flash mob- Should be able to interact with audience- In charge of cleaner
	Sports day: <ul style="list-style-type: none">- In charge of the ongoing activities associated with lululemon- Will be responsible for all sponsors	Sports day: <ul style="list-style-type: none">- Advertisement- Responsible for any profit made- Food manager	Sports day: <ul style="list-style-type: none">- Participating the activities- In charge of clean up
	Yoga Classes: <ul style="list-style-type: none">- Organizing tasks	Yoga Classes: <ul style="list-style-type: none">- In charge of yoga instructors- Social media updates- Room rentals	Yoga Classes: <ul style="list-style-type: none">- Yoga instructors- Studio set up- In charge of clean up

After all employees have their role, everything they do must be approved by the store manager for further actions.

Budget:

Budget	Cost	Total
1. Newspaper 2-column, 3-line print notice that will run in the Vancouver Courier.	\$43.00	\$43.00
2. Facebook Advertising cost	\$10.00/ day x 13 days= \$130.00	\$130.00
3. Youtube Advertisements	\$20/view. \$20x 50 views/day= \$1000 \$1000 x 13 days= \$13000.00	\$13000.00
4. Posters	\$0.25/page. \$0.25 x 3000 pages=\$750.00	\$750.00
5. Magazine Advertisement	\$11,550.00 (circulation of approximately 102, 000)	\$11, 550.00
6. Cost to design all Advertisements	\$5,000.00	\$5,000.00
7. Fashion Show Invitation	\$0.75/invitation. \$0.75 x 3000 invitations= \$ 2250.00	\$2250.00
8. Flash Mob Dancers	\$20.00/ dancer. \$20.00 x 30 dancers= \$60.00	\$60.00
Total Expenses		\$32 783.00

Statement of Benefits to the Retail Establishment:

When lululemon starts to advertise their stores and products, they are now informing the public of their store existence as well as introducing their products and services to the public. Lululemon can also easily anticipate the actual sales, and have their products stocked accordingly to fit the customer demand. The advertisements will be placed in locations that are

targeting customers who will buy lululemon products, thus drawing the customers straight to the stores. The uses of source media promotional events will also invite new customers to try lululemon products, and an effectual advertisement can change the attitudes of customers who might have had a negative view on the lululemon products by further informing them about lululemon products. The online advertisements linking to the lululemon website will increase online purchases.

Advertising also increases the sales of the product, thus helping reduce the per unit cost of the products, and help the business earn profit. It holds on to the loyal customers, enlists new customers, and decreases the amount of lost customers. Overtime, the advertising will increase the number of customers that is loyal to the lululemon products. Not only does it gain new customers as well as maintaining the old customers, advertising also informs all customers of any new lululemon products in stock and being sold at the stores. It informs them of any new developments in the company, as well as of any newly launched products.

Bibliography:

"Benefits Of Advertising | Benefits Of." *Benefits Of Advertising | Benefits Of*. N.p., n.d. Web. 11 Jan. 2015.

"Choose a PackageClick a Package Name to Select It." *Online Self-Serve Order Entry*. N.p., n.d. Web. 12 Jan. 2015.

"Choose the Country You Want to Ship to." *Quarterly Results*. N.p., n.d. Web. 12 Jan. 2015.

"Facebook ad." *Facebook*. N.p., n.d. Web. 12 Jan. 2015.

"Lululemon Boosts 2011 Forecast." *The Globe and Mail*. N.p., n.d. Web. 12 Jan. 2015

"Property Values Increase across the City." *Vancouver Courier*. N.p., n.d. Web. 12 Jan. 2015.

"Sales Per Square Foot Definition | Investopedia." *Investopedia*. N.p., 27 Oct. 2009. Web. 12 Jan. 2015.
Goldsworthy, Kaite. *Lululemon*. Alberta: Weigl Education, 2013. Print.